**NBDC Stakeholder Forum and National Platform Meeting**

**Messag 4 on Incentives for success**

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| Emerging Key messages  (including revisions, supporting comments) | Emerging evidence and examples to support this – strength of evidence? | Existing or *planned* outputs including where/with whom we can find these (maps, reports, studies, theses, journal articles, videos, blogs…) | Influencing targets – who we want to get the message to, with whom and how (including *opportunities*) |
| **Message 4 Incentives for success** | | | |
| 1. Incentives for different type of actors; may need to make distinction between extension workers versus farmers or community members 2. Formal versus informal, e.g.  * reward, certificate, money versus (formal) * recognition, appreciation, encouragement (informal)  1. Incentives versus benefits, e.g.  * money, certificate, physical, recognition e.g. in case of extension workers (incentives) * Difference in incentive/rewards based on performance (contest/models) * Need for ‘objective’ standards for performance? (may not be easy, accountability issues) * In NRM impact may be long term; so may need to define intermediary indicators * Return on investments in activities (i.e. potential benefits, such as income or food security etc.) * How to make the potential return on investment visible to people (make them belief, demonstrate, make it plausible) * may need to define intermediary steps is part of pathway to vision  1. Incentives/benefits for individual versus group 2. Taking away disincentives (as opposite to providing incentives) 3. Encouragement versus discouragement  * Provide culture of encouragement * Provide enabling environment (e.g. access to credits, inputs etc.) * Provide discouragement in case of negative externalities (e.g. in terms of environment, socially, gender etc.)  1. Incentive for success versus incentive for innovation (e.g. risk-taking, which allows learning from failure) (compensation can be seen as incentive in case of failure) 2. Specific issues:  * In case of NRM at watershed scale, does incentive also include access to credits? * In case of value chain, put value chain in brackets and replace ‘sharing costs’ by reducing transaction costs (in VC same vision, but different objectives – not interested in sharing, but increase individual gains) * ‘smart’ subsidies versus smart taxes (for specific objectives/groups) need to be coherent with government policies (e.g. in Ethiopia there is no subsidy policy) | 1. More evidence on incentives from NBDC and other research in Ethiopia 2. Local seed funds replace by local innovation funds. 3. Missing evidence for culture for encouragements or effect of taking away disincentives 4. Importance of social (traditional) network/communication and institutions “as incentive” for encouraging/discouraging environment (see CIAT publication); other examples: in some countries women prevented from tree planting by men due to ownership issues; peer pressure to do something to new; in Ethiopia religious leaders have big influence 5. There may be examples where incentives create conflict and undesired competition (how would that work in egalitarian rural communities in Ethiopia?) | 1. There is lot of projects in Ethiopia with experience on provision of inputs or tools to individuals but also for groups (but do we call these incentives) (also done by NGOs in VC context) 2. Humbo project (World vision); carbon sequestration; selling carbon credits; provision of soft loans; payback depends on benefits 3. Project like IMPS and other, short term and long term training (upgrading) which can be seen as incentive 4. CIAT publication of importance of social networks for encouragement 5. Rewarding system with government for farmers (medal/certificate) (innovative farmers) 6. Reviewing local innovation activities with lens of incentives (innovation fund) 7. FAIR Prolinnova providing access to services as an incentive to local innovation | 1. Need to work at all levels to change incentive structure ; esp. at regional and national level 2. Need to share experiences with NGOs and other organizations to harmonize approaches 3. Working with Local institutions to create supportive environment |